

CONRAD. We are going to do our very best to work out a program where we will make it so that we have the opportunity to offer our amendments and hopefully not have the marathon that we normally have at the end of a bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I thank my friend and colleague. This week will be a challenging week, to say the least. I look forward to working with him, and I would very much like to have an orderly consideration of the budget, the resolution, and the amendments in the process and avoid the so-called vote-arama that in years past we have found ourselves in with a lot of very important votes, with very little time for consideration. I do not think it makes the Senate look very good.

PROGRAM

Mr. NICKLES. Mr. President, for the information of Senators, tomorrow the Senate will resume consideration of S. Con. Res. 23, the budget resolution. At 12, the Senate will proceed to a cloture vote on the Estrada nomination. Following that vote, the Senate will return to consideration of the budget resolution. Members should expect amendments to be offered during tomorrow's session, which will require votes throughout the day. The majority leader encourages all Members who intend to offer amendments to work with the resolution managers in order to ensure an orderly process for debate. It is the intention of the majority leader to finish the budget resolution this week. Therefore, Members should expect late nights and rollcall votes throughout the week.

ORDER FOR ADJOURNMENT

Mr. NICKLES. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of Senator ALLARD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Colorado.

THE BUDGET

Mr. ALLARD. Mr. President, before I begin my remarks, I thank the budget chairman for his consideration. He is doing a great job. This is the first year he has assumed responsibility as chairman of the Budget Committee. In that position, he has expressed a willingness to work with all members of the Budget Committee and work with Members of the Senate to get a budget out of the Senate. I commend him for that effort.

I think it was extremely disappointing not only to me but to the American people that last year we did not get a budget passed. That is the first thing that has to happen. If we

want to see this process move forward in an orderly manner, we need to pass a budget.

I rise today to make a few comments relating to the budget resolution that is before us. This resolution, in my view, is one of the most important, only next to the legislation committing and supporting our Armed Forces, which is perhaps the most important the Congress will consider.

As my colleagues know, the budget resolution establishes the framework by which Congress will appropriate funds over the next year and it sets a model for the future. Further, this resolution will establish a series of important mechanisms for the enforcement of budget policy and outline important policy priorities to be ultimately determined by other Senate committees.

I serve on the Senate Budget Committee, and I will take this opportunity to comment on the pending resolution, as well as a number of important choices facing this body as we proceed with this debate.

I will make a few comments on the current climate. I have stated numerous times in recent years that continual increases in discretionary spending threaten the long-term fiscal stability of the Government and doom the taxpayer to greater long-term obligations. The slim window of historic surpluses we experienced in Washington from 1998 through 2001 sparked a rapid spending spree, unlike virtually any this Nation has ever experienced.

From the year 2000 to 2003, the Federal Government will have spent more than in any other 4-year period in the last 60 years, excluding the war years of World War II. When compared to the previous 4 years, 1996 to 1999, the Government has increased spending by a startling \$782 billion. The 4-year cost per household of the Federal Government reaching \$73,000. This reckless spending represents irresponsibility in the short term and far worse in the long term.

Today our Nation stands in the midst of a war on terror and on the brink of a costly engagement with the savage totalitarian Government of Iraq. These are conflicts that this country did not ask for but obligations we must meet. Today's international landscape demands nothing less than total commitment to our Armed Forces. I am pleased this budget resolution meets that commitment. I would go one step further and state clearly the defense of the homeland and the protection of American interests is the paramount responsibility of the Federal Government in this Republic.

By abandoning fiscal restraint and discretionary spending over the last 4 years, we have not only continued to bleed current and future taxpayers but created enormous fiscal obstacles to the prosecution of this Nation's defense.

I will speak briefly on defense and the war on terror. The budget resolution reported by the committee pro-

vides for \$400 billion for defense in fiscal year 2004. That is meeting the President's request for the continued aggressive prosecution of our war against terror around the world. The full amount of the President's request for Homeland Security is also included, the new Department of Homeland Security, growing from \$21.3 billion in 2003 to \$27.1 billion in 2004. These dollars will go to the securing of our borders, the training and supply of first responders, bioterrorism preparedness, and increased interagency coordination. I can think of no greater priority in these troubled times.

In talking about the growth package and the tax cuts, perhaps the area of the budget which will face the greatest scrutiny this week will be the reconciliation instruction for the President's proposed growth package. This resolution provided for \$698 billion from 2003 through 2013 for growth, job creation, and tax relief. I support the President's approach to this growth proposal: Mixing tax relief targeted to working families, encouraging investment by the small business sector—which, I might add, is the backbone of this economy in this country—and eliminating the double taxation of dividends.

A number of colleagues made clear they do not believe this package will stimulate the economy and insist the most stimulative effect would be through increased spending. This is not only an argument I fail to embrace, it is one I find dangerous in light of the incredible recent increases in spending that have proven ineffective in changing the economy.

Today, Federal revenues are down for the second consecutive year. That is an unprecedented decrease. The Nasdaq stands at one-quarter of its value just 3 years ago. To those who claim that the Federal Government can spend its way out of such conditions, stimulating growth by absorbing more of America's paycheck, I ask where the evidence is that this, indeed, works.

As I stated earlier, Congress has added \$782 billion in spending over the last 4 years. In light of the sum of this regrettable spending spree, the President proposes a rather humble growth package over the course of the next 10 years. The amount provided in this resolution accommodates the acceleration of several key tax cuts already implemented into law such as the marriage penalty tax and the cut in marginal income tax rates. Further, there is room in this package to increase the child tax credit and increase small business expensing limits. These are very real ways to allow working Americans to keep more of their money, and to do so starting today. I trust they will know best what to do with these savings and can see only beneficial stimulus.

With regard to the dividend proposal, the resolution also accommodates the President's desire to cut one of the Tax Code's most egregious examples of double taxation, that tax placed on corporate dividends. It is unfortunate that

dividend taxation is an area where the United States is a world leader, taxing dividends at a rate higher than any nation in the world other than Japan. I would like to be clear on the nature of this tax. It is a tax on capital. It makes capital more expensive. It makes doing business more expensive. Capital can be used far better by those innovating and investing in the private sector rather than through expanding government largess.

The Wall Street Journal outlined the benefits of this proposal in a February 26 article. The Wall Street Journal reports that the dividend proposal would increase job creation by as many as 500,000 jobs per year over the next 5 years. That is an immediate and wonderful economic stimulus. Federal Reserve Chairman Alan Greenspan recently testified before Congress in support of the elimination of the double taxation of dividends as "a benefit to virtually everyone in the economy over the long run."

Some in this body disagree with Mr. Greenspan and will attempt to wheel out their tired old incredible rhetoric by labeling this a tax cut for the rich. A half million more jobs is not a tax cut for the rich. I hope our dialog will be sophisticated enough to recognize this.

Let me talk a little bit about our domestic priorities. I am pleased to share President Bush's commitment to a number of domestic priorities reflected in this budget. As a long-time advocate of a Medicare prescription drug benefit, I am glad to see an investment of \$400 billion over 10 years to strengthen Medicare. This unprecedented investment includes a prescription drug benefit for our Nation's seniors, allowing equity and access to the latest and most beneficial drugs on the market. The \$400 billion will also be available for the improvement and modernization of Medicare, catastrophic coverage, and assistance to low-income beneficiaries. The President has made clear this is not simply another step in the expansion of the Medicare Program but a call for reform and enhanced efficiency.

With the pending retirement of the baby boom generation, it is more important than ever that Medicare be built on a strong foundation and offer the most effective treatments possible. This budget follows in the bold footsteps of the No Child Left Behind Act, continuing the commitment made with that landmark legislation. This budget resolution offers the single largest ever financial support for education in America, going above and beyond the President's request. Title I grants to local education agencies will increase by \$1 billion. The Individuals with Disabilities Education Act will see a \$1 billion increase in part (B) grants to States, with additional funds available if a reauthorization bill is enacted that authorizes those additional funds.

Now to enforcing our budget discipline. Last September, the historic

Budget Enforcement Act expired. This lapse, along with the inability of the Senate to pass a budget resolution and 11 of 13 appropriations bills, meant the loss of significant controls on Federal spending. The resolution before the Senate today seeks to correct this failure and restores some budget discipline to the process. The resolution contains enforceable, discretionary budget caps for fiscal years 2003, 2004, and 2005 consistent with the funding levels outlined by President Bush. This resolution also reinstates the 60-vote point of order against advanced appropriations as well as targeting nondefense emergency appropriations with a similar point of order. Perhaps the most important of all, the budget contains an extension of the pay-go point of order to limit unbudgeted mandatory spending increases over revenue decreases.

Budget discipline has long been an area of keen interest to me, and I have to say I appreciate Chairman NICKLES' commitment to enforcement, although I hope we will continue to work toward establishing greater controls in spending.

Then a word about dynamic scoring: From a process standpoint, I am also very interested in expanding this discussion to include dynamic scoring. As my colleagues are aware, the Congressional Budget Office, various committees, and the administration generally rely on what is referred to as static scoring. That is, that legislation and revenue decreases are scored in terms of costs to the Federal Government, without factoring in the yield to the Government of the economic stimulus generated by that policy change.

There are a number of States that have implemented dynamic scoring, including the State of California; and 40 States incorporate the principles of dynamic scoring in their budget calculation because they understand that it truly reflects what happens in the real world. That is why I am such an advocate of dynamic scoring, a process which I think reflects what will happen in the real world as a consequence of our budget.

Earlier, I spoke of the dynamic benefit of the elimination of double taxation of dividends by quoting the Wall Street Journal and Chairman Greenspan. Mr. Greenspan, the Journal, the Heritage Foundation, and others have vociferously asserted that this proposal will lead to more jobs and, thus, the generation of more wage hours and taxes paid. Even the Clinton administration Director of OMB agrees there is some stimulus effect. Despite this highly credible choir of proponents, I cannot as yet, to date, propose a dynamic scoring for this proposal produced by this Congress because it doesn't reflect what happens in the real world. The proposed growth package is a perfect example of the need for dynamic scoring to be incorporated into this process.

Is it so ridiculous to think that we could calculate the impact this pack-

age would have on job creation, increases in disposable income and savings, and even a return on Federal revenues due to economic activity?

Let me go to the chart to reemphasize my point. I have here a chart which reflects what will happen to additional job creation with the President's stimulus package.

The blue part of the bars on this chart reflects what would happen to our economy if we did not change the law at all, if we stayed just the way we are. On top of that, you will see the orange part of the bar, which reflects additional jobs that would be created with the President's economic growth package. An important part of that package is eliminating the double taxation on dividends.

So, after 2004, 2005, as we move on out to 2008, we see that there is a substantial increase in the number of additional jobs.

It is nice to talk about additional jobs. What does it do as far as money in Americans' pockets, in order to help the economy grow? The next chart shows the additional disposable income. This is the total amount of disposable income that would be available to Americans as we create these jobs through the President's job stimulus package, his economic stimulus package.

The blue line again reflects what would happen if we did not change any of the current law. The orange part of those bars reflects the additional growth that would happen as a result of us passing the President's stimulus package. I think this is significant additional disposable income. That means Americans will have more money in their pockets to spend, businesses would have more money in their checkbooks in order to buy new equipment and create jobs. It is a job stimulus package that we need today. We don't need it 3 years from now; we need it today, and I do hope we can move ahead.

Using the dynamic scoring model generated by the Heritage Foundation Center for Data Analysis, we can see the President's proposal generates a significant amount of growth in the economy and, in fact, gets far more bang for the buck than any increase in spending or Government handout. Current baseline projections for total employment forecast an unemployment rate of 5.4 percent in 2004. Incorporating the dynamic scoring method of measurement, we can see that would lower the rate to 4.9 percent, or an addition of 997,000 jobs to the economy.

In my home State of Colorado, more than 16,000 more jobs would be created in 2004 alone. I have a piece of paper here with me that reflects the amount of job growth we can expect in each State individually. For example, we can go to Alabama, the State of Senator SESSIONS. We heard his comments. There is a growth in 2004 of 15,100 jobs. Over the 5-year period, it is going to be an average growth of 13,840 jobs per

year, based on the President's economic growth plan. If we look at the President's stimulus package, what effect will it have?

We can look to Kentucky, for example. The Presiding Officer understands Kentucky. With the President's growth package we can expect, in 2004, 13,900 new jobs with an average over the years up to 2008 of 12,720 new jobs each year.

I have how this will impact each individual State as we move through the years. It is important that we pass the President's job stimulus plan.

I have been in Washington long enough to know better than to take job forecasts and predictions as gospel, but I also know that any policy that can potentially increase employment by almost a million jobs in 1 year simply must be considered.

I believe it is expected we at least try. There are individuals who say we should not do anything on economic growth and stimulus. I think that is the wrong approach. I think the American people expect some action to happen out of the Senate.

There are those who say maybe we ought to just do increased spending.

Many of my friends on the other side of the aisle are promoting an economic growth stimulus package that puts emphasis on more spending. My response to that is, if spending is the answer, with all the spending that has happened in the last 4 years, why isn't our economy growing?

I think we have one thing we could do, that we should try at least, in order to stimulate that economy. I think we need to cut taxes. We need to cut taxes to stimulate the part of the economy that is most adversely affected, and that is the business sector of our economy, the small business sector—the double taxation of dividends. I have had one accountant tell me if we eliminate the double taxation on dividends, they are going to be recommending changes in the way that small business is organized and how they can do it in a way that will save money and bring money into the small business sector.

I believe we must do more than just complain and criticize but come up with a plan of action. I see no plan of action from my colleagues opposing this proposal. Americans deserve to hear alternative plans and not just suggestions of negativity without action.

I will bring my comments to a conclusion by simply stating I think this is a good budget proposal that is before us. I think it accounts for the President's economic stimulus package. Considering the condition of the Nation today, we need to pass an economic stimulus package. It addresses the immediate needs of defending this country as we are on the brink of moving into conflict. I think it is a reasonable budget. So standing here on the floor of the Senate, I express my support and hope the Members of the Senate will pass this budget because we need to have a budget this year.

Having concluded my remarks, I yield back my time.

ADJOURNMENT UNTIL 9:30 A.M.
TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9:30 a.m. tomorrow.

Thereupon, the Senate, at 7:30 p.m., adjourned until Tuesday, March 18, 2003, at 9:30 a.m.